

Robert P. Goe – State Bar No. 137019  
Reem J. Bello – State Bar No. 198840  
**GOE FORSYTHE & HODGES LLP**  
17701 Cowan, Suite 210, Building D  
Irvine, CA 92614  
RGoe@goeforlaw.com  
RBello@goeforlaw.com  
Telephone: (949) 798-2460  
Facsimile: (949) 955-9437

Attorneys for Joseph Vago and Erica Vago,  
Defendants

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

In re:

LESLIE KLEIN,  
Debtor.

LESLIE KLEIN, an individual,  
Plaintiff,

v.

JOSEPH VAGO, and ERICA VAGO,  
individuals,  
Defendants.

Case No. 2:23-bk-10990-SK

Chapter 11 Proceeding

Adv. Case No.: 2:23-ap-01147-SK

**ANSWER OF DEFENDANTS JOSEPH  
VAGO AND ERICA VAGO TO FIRST  
AMENDED COMPLAINT FOR:**

**(1) AVOIDANCE OF PREFERENCE [11  
U.S.C. §547];**

**(2) RECOVERY OF AVOIDED TRANSFERS  
[11 U.S.C. §550(a)]; AND**

**(3) AUTOMATIC PRESERVATION OF  
AVOIDED TRANSFERS [11 U.S.C. §551]**

1 **TO THE HONORABLE SANDRA R. KLEIN, UNITED STATES BANKRUPTCY JUDGE,**  
2 **AND ALL PARTIES IN INTEREST:**

3 COMES NOW, Defendants Joseph Vago and Erica Vago, defendants (“Defendants”)  
4 answering the First Amended Complaint on file herein, admits, denies and alleges as follows the  
5 allegations in the First Amended Complaint filed on May 12, 2023 (the “First Amended  
6 Complaint”) by Plaintiff Debtor Leslie Klein (“Plaintiff”) in the above captioned adversary  
7 proceeding as follows:

8 Joseph Vago and Erica Vago, defendants (“Defendants”) in the above-captioned adversary  
9 proceeding hereby answers the First Amended Complaint filed by the Debtor Leslie Klein  
10 (“Plaintiff”):

11 **JURISDICTION AND VENUE**

12 1. Paragraph 1 of the First Amended Complaint consists of legal conclusions to which  
13 no response is required. To the extent the Court requires a response, Defendants admit the  
14 allegations in paragraph 1 of the First Amended Complaint.

15 2. Paragraph 2 of the First Amended Complaint consists of legal conclusions to which  
16 no response is required. To the extent the Court requires a response, Defendants admit the  
17 allegations in paragraph 2 of the First Amended Complaint.

18 3. Paragraph 3 of the First Amended Complaint consists of legal conclusions to which  
19 no response is required. To the extent the Court requires a response, Defendants admit the  
20 allegations in paragraph 3 of the First Amended Complaint.

21 4. Paragraph 4 of the First Amended Complaint consists of legal conclusions to which  
22 no response is required. To the extent the Court requires a response, Defendants admit the  
23 allegations in paragraph 4 of the First Amended Complaint.

24 5. Paragraph 5 of the First Amended Complaint contains no allegations against  
25 Defendants. To the extent any response of Defendants to the allegations in this paragraph is  
26 required, Defendants deny the allegations in this paragraph for lack of sufficient information to  
27 form a belief as to the truth or falsity of the allegations made in this paragraph.

28 6. Paragraph 6 of the First Amended Complaint contains no allegations against

1 Defendants. To the extent any response of Defendants to the allegations in this paragraph is  
2 required, Defendants deny the allegations in this paragraph for lack of sufficient information to  
3 form a belief as to the truth or falsity of the allegations made in this paragraph.

4 7. Paragraph 7 of the First Amended Complaint contains no allegations against  
5 Defendants. To the extent any response of Defendants to the allegations in this paragraph is  
6 required, Defendants deny the allegations in this paragraph for lack of sufficient information to  
7 form a belief as to the truth or falsity of the allegations made in this paragraph.

8 8. Answering Paragraph 8 of the First Amended Complaint, Defendants admit the  
9 allegations in paragraph 8 of the First Amended Complaint.

10 9. Paragraph 9 of the First Amended Complaint contains no allegations against  
11 Defendants and the allegations in this paragraph consist in part of contentions of law, conclusions  
12 and argument. To the extent any response of Defendants to the allegations in this paragraph is  
13 required, Defendants deny the allegations in this paragraph for lack of sufficient information to  
14 form a belief as to the truth or falsity of the allegations made in this paragraph.

15 10. Answering Paragraph 10 of the First Amended Complaint, Defendants admit the  
16 allegations in paragraph 10 of the First Amended Complaint.

17 11. Answering Paragraph 11 of the First Amended Complaint, Defendants admit the  
18 allegations in paragraph 11 of the First Amended Complaint.

19 12. Answering Paragraph 12 of the First Amended Complaint, Defendants admit the  
20 allegations in paragraph 12 of the First Amended Complaint, except that Defendants deny that any  
21 of the transfers are recoverable by Plaintiff.

22 13. Answering Paragraph 13 of the First Amended Complaint, Defendants admit the  
23 allegations in paragraph 13 of the First Amended Complaint.

24 14. Answering Paragraph 14 of the First Amended Complaint, Defendants admit the  
25 allegations in paragraph 14 of the First Amended Complaint

26 15. Answering Paragraph 15 of the First Amended Complaint, Defendants deny the  
27 allegations in paragraph 15 of the First Amended Complaint.

28 16. Answering Paragraph 16 of the First Amended Complaint, Defendants incorporate

1 by reference, as though set forth fully herein, the responses to Paragraphs 1 through 15, inclusive,  
2 of the First Amended Complaint.

3 17. Answering Paragraph 17 of the First Amended Complaint, Defendants admit the  
4 allegations in paragraph 17 of the First Amended Complaint.

5 18. Answering Paragraph 18 of the First Amended Complaint, Defendants admit the  
6 allegations in paragraph 18 of the First Amended Complaint.

7 19. Answering Paragraph 19 of the First Amended Complaint, Defendants deny the  
8 allegations in paragraph 19 of the First Amended Complaint.

9 20. Answering Paragraph 20 of the First Amended Complaint, Defendants deny the  
10 allegations in paragraph 20 of the First Amended Complaint.

11 21. Answering Paragraph 21 of the First Amended Complaint, Defendants deny the  
12 allegations in paragraph 21 of the First Amended Complaint.

13 22. Answering Paragraph 22 of the First Amended Complaint, Defendants deny the  
14 allegations in paragraph 22 of the First Amended Complaint.

15 23. Answering Paragraph 23 of the First Amended Complaint, Defendants deny the  
16 allegations in paragraph 23 of the First Amended Complaint.

17 24. Answering Paragraph 24 of the First Amended Complaint, Defendants deny the  
18 allegations in paragraph 24 of the First Amended Complaint.

19 25. Answering Paragraph 25 of the First Amended Complaint, Defendants incorporate  
20 by reference, as though set forth fully herein, the responses to Paragraphs 1 through 24, inclusive,  
21 of the First Amended Complaint.

22 26. Answering Paragraph 26 of the First Amended Complaint, Defendants admit the  
23 allegations in paragraph 26 of the First Amended Complaint.

24 27. Answering Paragraph 27 of the First Amended Complaint, Defendants deny the  
25 allegations in paragraph 27 of the First Amended Complaint.

26 28. Answering Paragraph 28 of the First Amended Complaint, Defendants deny the  
27 allegations in paragraph 28 of the First Amended Complaint.

28 29. Answering Paragraph 29 of the First Amended Complaint, Defendants incorporate

1 by reference, as though set forth fully herein, the responses to Paragraphs 1 through 28, inclusive,  
2 of the First Amended Complaint.

3 30. Answering Paragraph 30 of the First Amended Complaint, Defendants deny the  
4 allegations in paragraph 30 of the First Amended Complaint.

5 31. Answering Paragraph 31 of the First Amended Complaint, Defendants deny the  
6 allegations in paragraph 31 of the First Amended Complaint.

7 **RESERVATION OF RIGHTS**

8 32. Defendants reserve the right to assert additional arguments, motions or defenses in  
9 response to any future motions by Plaintiff for leave of the Court to amend the First Amended  
10 Complaint.

11 33. Defendants reserve the right to assert additional arguments, motions or defenses in  
12 response to any other claims for relief that may be brought by Plaintiff against Defendants,  
13 including objections to any proof of claim filed by Defendants.

14 **AFFIRMATIVE DEFENSES**

15 Defendants plead the following separate defenses. Defendants reserve the right to assert  
16 additional affirmative defenses that discovery indicates are proper.

17 **FIRST AFFIRMATIVE DEFENSE**

18 **(Failure to State a Claim)**

19 1. As a separate and first affirmative defense to the Amended Complaint, and to the  
20 purported causes of action set forth therein, the Defendants allege that the First Amended  
21 Complaint fails to state facts sufficient to constitute a cause of action.

22 **SECOND AFFIRMATIVE DEFENSE**

23 **(Laches)**

24 2. As a separate and second affirmative defense to the First Amended Complaint, and  
25 to the purported causes of action set forth therein, the Defendants allege that Plaintiff cannot  
26 recover in whole or in part from this Defendant to the extent that the claims against this Defendant  
27 are barred by the doctrine of laches.  
28

**THIRD AFFIRMATIVE DEFENSE**

**(Waiver)**

3. As a separate and third affirmative defense to the First Amended Complaint, and to the purported causes of action set forth therein, the Defendants allege that Plaintiff is barred from any relief against the Defendant by virtue of Plaintiff's acts, conduct, or statements under the doctrine of waiver.

**FOURTH AFFIRMATIVE DEFENSE**

**(Estoppel)**

4. As a separate and fourth affirmative defense to the First Amended Complaint, and to the purported causes of action set forth therein, the Defendants allege that the Plaintiff is barred from any relief against the Defendant under the doctrine of estoppel.

**FIFTH AFFIRMATIVE DEFENSE**

**(Unclean Hands)**

5. As a separate and fifth affirmative defense to the First Amended Complaint, and to the purported causes of action set forth therein, the Defendants allege that Plaintiff is barred in whole or in part from prosecuting the purported causes of action set forth in the First Amended Complaint by the doctrine of unclean hands.

**SIXTH AFFIRMATIVE DEFENSE**

**(Solvency)**

6. As a separate and sixth affirmative defense to the First Amended Complaint, and to the purported causes of action set forth therein, Defendants assert that Debtor was solvent, able to pay its debts, retained sufficient assets to continue its business operations, and that the alleged transfers did not constitute transfers for which the Debtor was rendered insolvent.

**SEVENTH AFFIRMATIVE DEFENSE**

**(Consideration)**

7. As a separate and seventh affirmative defense to the First Amended Complaint, and to the purported causes of action set forth therein, Defendants assert that Debtor received consideration for the alleged transfers.

**EIGHTH AFFIRMATIVE DEFENSE**

**(Contemporaneous Exchange for New Value)**

8. As a separate and eighth affirmative defense to the First Amended Complaint, Defendants allege that such transfer was intended by the parties to be a contemporaneous exchange for new value and in fact it was a contemporaneous exchange and therefore there was no preference and, therefore, Plaintiff should take nothing pursuant to Section 547(c)(1).

**NINTH AFFIRMATIVE DEFENSE**

**(Ordinary Course of Business)**

9. As a separate and ninth affirmative defense to the First Amended Complaint, Defendants allege that such transfer was in payment of a debt incurred and paid by the Debtor in the ordinary course of business of Debtor and Defendants or made according to ordinary business terms according to the industry standard and the practice between Debtor and Defendants, and, therefore, there was no preference and Plaintiff should take nothing pursuant to Section 547(c)(2).

**TENTH AFFIRMATIVE DEFENSE**

**(New Value Not Secured by Otherwise Unavoidable Security Interest)**

10. As a separate and tenth affirmative defense to the First Amended Complaint, Defendants allege that Defendants provided Debtor with new value that is not secured by an otherwise unavoidable security interest and on account of which new value the Debtor did not make an otherwise unavoidable transfer to or for the benefit of such creditor and Plaintiff should take nothing pursuant to Section 547(c)(4) and, therefore, there was no preference and Plaintiff should take nothing.

**ELEVENTH AFFIRMATIVE DEFENSE**

**(Lack of Standing)**

11. As a separate and eleventh affirmative defense to the First Amended Complaint, Defendants allege that Plaintiff lacks standing to pursue the claims set forth in the First Amended Complaint.

**TWELFTH AFFIRMATIVE DEFENSE**

**(Reservation of Rights Regarding Further Affirmative Defenses)**

12. Defendants allege they presently have insufficient knowledge or information on which to form a belief as to whether it may have additional, as yet unstated, defenses available. Defendants reserve the right to assert additional defenses in the event discovery indicates they would be appropriate.

Dated: July 17, 2023

**GOE FORSYTHE & HODGES LLP**

By: /s/Robert P. Goe  
ROBERT P. GOE, ESQ.  
Attorneys for Defendants JOSEPH VAGO  
and ERICA VAGO, individuals



## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 17701 Cowan, Suite 210, Bldg. D, Irvine, CA 92614

A true and correct copy of the foregoing document entitled (*specify*): **ANSWER OF DEFENDANTS JOSEPH VAGO AND ERICA VAGO TO FIRST AMENDED COMPLAINT FOR: (1) AVOIDANCE OF PREFERENCE [11 U.S.C. §547]; (2) RECOVERY OF AVOIDED TRANSFERS [11 U.S.C. §550(a)]; AND (3) AUTOMATIC PRESERVATION OF AVOIDED TRANSFERS [11 U.S.C. §551]** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On July 17, 2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Reem J Bello rbello@goeforlaw.com, kmurphy@goeforlaw.com
- Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com; goeforecf@gmail.com
- Michael I. Gottfried mgottfried@elkinskalt.com, cavila@elkinskalt.com, lwageman@elkinskalt.com, docketing@elkinskalt.com
- Eric J Olson eric@ejolsonlaw.com
- Nikko Salvatore Stevens nikko@cym.law, mandi@cym.law
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Clarisse Young youngshumaker@smcounsel.com, levern@smcounsel.com

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) July 17, 2023, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Hon. Sandra R. Klein, USBC, 255 E. Temple Street, Courtroom 1575, Los Angeles, CA 90012

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) July 17, 2023, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

July 17, 2023 Susan C. Stein

Date

Printed Name

/s/Susan C. Stein

Signature